

MEMORIAL

OF A

NUMBER OF CITIZENS OF NEW YORK,

PRAYING

*The establishment of a fiscal agency for the Government, and asking
a charter of incorporation.*

APRIL 24, 1838.

Referred to the Committee on Finance, and ordered to be printed.

*To the Senate and House of Representatives of the United States in
Congress assembled :*

The memorial of the undersigned, citizens of the State of New York,
RESPECTFULLY SHOWETH :

That, in the month of March, A. D. 1836, the subscribers and others, in behalf of themselves and their associates, submitted to the President of the United States a written proposition, under their signatures, to assume and perform the duties of "fiscal agents" of the Government of the United States, accompanied with the articles of their association or co-partnership, and an expose of the principles and the plan of operations contemplated by those articles.

Your memorialists beg leave further to state, that the considerations which then induced them to submit their proposition to the consideration of the President, exist with increased force ; and they now beg respectfully to submit to the consideration of the present Congress the original proposition and accompanying documents heretofore laid before the President of the United States ; and, in addition thereto, the form of a bill designed to carry into effect the provisions contained in their proposition.

And your memorialists further pray your honorable body to grant them such other privileges, and to prescribe to them such other limitations and restrictions, not inconsistent with the terms of their articles of co partnership, as may be deemed fit and proper for the convenient organization and successful prosecution of their undertaking, and to secure the due and faithful exercise of their powers.

Robert Ray
P. G. Stuyvesant
Benjamin L. Swan
W. B. Lawrence
Saul Alley
Arthur Bronson
Isaac Bronson

James Wadsworth
Samuel Ward
William Bard
John Mason
Thomas Suffern
Stephen Whitney

To the President of the United States :

THE multiplicity of local banks which are springing into existence, and, more especially, the charter granted by the State of Pennsylvania to the late Bank of the United States, free from the responsibility to which the old institution was liable, it is believed, has produced a new and alarming crisis in the currency and commercial enterprise of the United States.

The Pennsylvania Bank, especially, by means of its great capital and other advantages, may, and not improbably will, not only exert a control over the exchanges and currency, but acquire an absolute and unlimited power over all the other State institutions.

The operations of trade, and the value of property, may thereby be rendered fluctuating and uncertain, and the financial concerns of the Government seriously embarrassed. Under these circumstances, the community at large is deeply interested in providing some countervailing power ; and it would seem to be the policy, if not the duty, of the Government, to employ some efficient agent by which it may facilitate its financial operations, and insure a salutary regulation of the currency.

Fully impressed with the urgency of these considerations, the subscribers have proposed to form an association, adequate, as they believe, to the attainment of the desired object ; and to present it to the Government as one capable, in all respects, to act as a fiscal agent.

The fundamental articles of the association, and also some detailed observations in explanation of its objects and operations, accompany this paper ; to which the particular attention of the President is respectfully invited.

Although the institution, proposed to be created by these articles, differs materially from most, and indeed all of the banking institutions in the United States, it is, nevertheless, founded upon the soundest principles of banking, and will possess all the powers necessary for the fiscal purposes of the Government, and for the regulation of the currency, while it is, at the same time, deprived of any mischievous tendency.

The evils, real or apprehended, of ordinary commercial and unrestricted banking institutions, are produced chiefly, by a departure from their appropriate sphere, by trading both upon their capital and credit, and by temporary accommodation loans and excessive issues, which are always injurious if not ruinous in their consequences.

The proper function of banks is rather to afford the medium of trade than the capital for carrying it on ; and their legitimate business consists in employing the funds produced by their credit in discounting notes and bills of exchange which have been taken in exchange for commodities sold, and which must in no instance be renewed, but the payment thereof strictly enforced. By an adherence to these principles, those capricious or injudicious expansions, and consequent sudden curtailments for which the community are never prepared, and which are so distressing in their effects, will be prevented ; and a bank, so acting, while it affords all the necessary facilities for a sound currency and active commerce, leads to none of the revulsions to which the present banking operations are liable.

Upon these principles the proposed association will be founded, and its active business confined to its credit, and not be allowed to encroach upon its capital.

The amount of its capital will be permanently invested, at the legal rate

of interest, upon bonds and mortgages of undoubted security ; it will thereby be placed beyond the reach of accident, so that in any possible emergency any portion, or the whole of it, may be promptly converted into specie. The capital being thus disposed of, the banking business of the association will necessarily consist in discounting notes and bills of exchange, or other business paper, at short dates, and which, from the nature of the transaction, will be paid when due.

The means of making these discounts will consist of the credit of the bank, or in other words of its deposits, public or private ; and its bills receivable, all falling due within a period of sixty or ninety days, will in this manner prove a sure resource for all its engagements. The extent of its discounts must limit the extent of its issues, and the former being regulated by the actual trade and exchanges of the country, the latter can never exceed the real wants of the community.

It is by the combined aid, therefore, of its credit, or deposits, and of its discounted notes, or bills receivable, that the bank will be enabled to disburse the public revenue ; to issue and maintain a sound and equal circulating medium, adapted in amount to the exigencies of trade.

It is obvious, however, that the success of such an institution as that now proposed, must depend upon the amount of its deposits ; and to enable it properly to disburse the public money, to insure a salutary regulation of the currency, and efficiently to perform the duties of a fiscal agent of the Government, the possession of the public deposits will be indispensably necessary.

It is to attain these objects that the present application is made ; and with this view, the subscribers respectfully propose :

First. That the Government will constitute the association, when formed, their fiscal agent ; and by law confer upon it sufficient authority to enable it efficiently to perform its duties ; and, especially, to authorize it to establish offices in those places where they may be necessary for the purposes of the Government.

Second. That the association shall be made the depository of all the public moneys of the United States ; in consideration whereof, it will undertake to collect, receive, and disburse the same, under the direction of the Government ; and, also, to perform all the duties in this behalf as were required of the Bank of the United States, and as are now required of the State banks, which are the present depositories of the public funds.

Third. That the association will pay the Government an interest at the rate of per centum per annum, upon the amount of public moneys received in deposite.

Fourth. That the subscribers, and their associates, will pay in, as the capital of the bank, the sum of forty millions of dollars, of which they will immediately thereafter invest thirty millions, at a rate of interest not less than six per cent. per annum, secured by bonds and mortgages upon real estate of double the value in amount of the sum invested.

Fifth. That for the amount of the public money received in deposite, they will assign and transfer to the Government an equal amount of such bonds and mortgages, as security for the sum so received in deposite, and for the faithful performance of all its duties as the fiscal agent of the Government.

Sixth. This proposition to go into effect as soon as the necessary autho-

urity shall be given for the purpose, and as soon as it can be done with a due regard to the situation and convenience of the present banks of deposite.

Daniel Jackson

Thad. Phelps

J. D. Beers

James Wadsworth

Saul Alley

Isaac Bronson

Samuel Ward

Nevins, Townsend, & Co.

Geo. Griswold

John McVicker

Nath. Prime

James G. King

Rufus L. Lord

James McBride

Thomas Suffern

James Magee

Eli Hart

Benj. McVickar

Thomas Lord

Joseph Kimockan

Henry Jas. Anderson

Elijah Paine

Peter Lorillard

Wm. F. Mott

Horatio Stevens

Stewart Brown

Eleazar Lord

G. A. Worth

Stephen Whitney

John Ward

Jas. B. Murray

Harman Hendricks

Geo. W. Bruen

Thomas E. Davis

G. Hoyt

Charles Butler

W. B. Lawrence

Arch. Gracie

John Bolton

Samuel Hicks

Benjamin L. Swan

David Hale

Peter Harmony

R. W. Martin

John Mason

H. Maxwell

James Brown

Samuel Thomson

Dudley Selden

J. Heard

Charles Hoyt

P. G. Stuyvesant

R. H. McCurdy

David Leavitt

James A. Hamilton

Robert Ray

Isaac Carow

H. P. Robertson

A. Winans

Jesse Hoyt

C. Bolton

A. G. Thompson

N. Bloodgood

Thos. Lawrence

Richard J. Wells

James Boyd, jr.

Henry Parish

Frederic Brown

Wm. Bard

Abm. Bloodgood

Philip Howe

John S. Crary

Thomas W. Pearsall

Samuel Swartwout

J. L. & S. Joseph & Co.

Reuben Withers

Garrit Storm

F. Sherman

Arthur Bronson

Benjamin Stephens

Peter Schermerhorn

Tucker & Lauries

Chs. H. Russell

John Watts

Herman La Roy

Henry Rankin

James Campbell

Abm. Varick

Charles Graham

Isaac A. Johnson

Peter Sharpe

James Monroe

James J. Roosevelt, jr.

ARTICLES OF ASSOCIATION.

To all to whom these presents shall come, or in any wise concern.

Be it known and made manifest, that we, the subscribers, have formed a company, or limited partnership, and do hereby associate and agree with each other to conduct business, in the manner hereinafter mentioned and described, by and under the name and style of "The President and Directors of the _____ in the city of New York;" and we do hereby mutually covenant, declare, and agree, that the following are and shall be the fundamental articles of this our association and agreement with each other, by which we, and all persons who at any time hereafter may transact business with the said company, shall be bound and concluded.

First. The capital stock of the said company shall consist of forty millions of dollars, in money of the United States. The said capital stock shall be divided into shares of one hundred dollars each; two dollars and fifty cents on each share shall be paid at the time of subscribing, and the remainder shall be paid at such times and in such proportions as the board of directors shall order and appoint, under pain of forfeiting to the company the said shares, and all previous payments thereon; but no payment shall be required unless by a notice to be published at least thirty days in two newspapers printed in the city of New York. The whole of the said capital shall be invested in bonds and mortgages, on unencumbered real estate, within the United States of America. The real property mortgaged to secure any investment of capital, shall in every case be double in value of the sum charged thereon. As soon as ten millions of dollars of said capital shall be subscribed, this company shall be organized, and go into operation; and no subscription to the stock shall be binding, unless said sum of ten millions of dollars shall be subscribed within three months from the date of the first subscription.

Second. The affairs of said company shall be exclusively conducted by twenty-four directors, who shall elect one of their number to be president thereof, until the first Tuesday in January then next, when, and thereafter annually, such officer shall be elected in like manner, and who shall hold over until his successor shall be elected; and seven of the directors shall form a board or quorum for transacting all the business of the company, (except ordinary discounts, which it shall be in the power of any five of the directors to perform,) of which the president shall be always one; except in case of his sickness, or necessary absence, when his place may be supplied by any other director whom he, by writing under his hand, shall depute for that purpose; and in case the president shall not so depute, the board of directors may elect a director to act during the absence of the president; and _____ shall be the

first board of directors of the said company. The said board of directors shall be divided into classes, consisting of four each, and so arranged that the term of service of one of said classes shall expire at the end of two years, one at the end of four years, one at the end of six years, one at the end of eight years, and one at the end of ten years, and so on, to be divided by lot, so that four directors shall be appointed every two years. But the chancellor shall have like power to remove a director, upon the application of a person interested, as he now possesses to remove a trustee, under the provisions of the revised statutes of the State of New York.

Third. Every vacancy occurring in the board of directors by death, resignation, or otherwise, shall be supplied by the choice of the remaining directors; and, in all cases, the votes of two-thirds of all the directors, for the time being, shall be requisite to a choice. No person shall be eligible, who shall not have been openly nominated at a meeting of the directors at least one month before the day on which the election is held: and the name of every person so nominated shall be published for three successive weeks previous to the day of election, in one or more of the public newspapers in the city of New York, and in the State paper. Every director shall be a stockholder to the amount of twenty thousand dollars at least; and any director not becoming a stockholder to the amount of twenty thousand dollars, within six days after the capital stock shall be subscribed, shall cease to be a director, and the seat of every such director, after ceasing to be a stockholder as aforesaid, shall be immediately deemed vacant.

Fourth. The board of directors are hereby fully empowered to make, revise, and alter, or annul, all such rules, by-laws, and regulations, for the government of the company, and that of their officers, servants, and affairs, as they, or a majority of them, shall from time to time think expedient, not inconsistent with law or these articles of association; and to use, employ, and dispose of the funds and property of the said company, other than capital, (subject only to the restrictions hereinafter contained,) as to them, or a majority of them, shall seem expedient. The said directors shall also have power to receive moneys in trust or on deposit; to accumulate the same at such rate of interest as may be obtained or agreed on, or to allow such interest thereon as may be agreed on, not exceeding, in either case, the legal rate. The board of directors shall exhibit, annually, to the stockholders, a full statement of their affairs, verified by the oath or affirmation of the president and cashier, and at least three of the directors; which statement shall be printed for the use of the stockholders.

Fifth. All bills, bonds, notes, and every contract and engagement on behalf of the company, shall be signed by an officer to be called "the Vice President," and countersigned or attested by an officer to be called "the Assistant Cashier" of the company; and the funds of the company shall, in no case, be held responsible for any contract or engagement whatever, unless the same shall be so signed and countersigned, or attested as aforesaid. No bill, bond, or note, shall be for a less denomination than twenty dollars.

Sixth. The said company shall have power to issue bills, or notes, for currency, to an amount not exceeding the capital stock paid in, and, for the time being, actually invested on bonds or notes, secured by unincumbered real estate, agreeable to article first.

Seventh. The books, papers, correspondence, and funds of the company shall, at all times, be subject to the inspection of the directors.

Eighth. The said board of directors shall have power to appoint a cashier or cashiers, a vice president, and assistant cashier, and all other officers and servants for executing the business of the company, and to establish the compensations to be paid to the president, and all other officers and servants of the company respectively; all which, together with all other necessary expenses, shall be defrayed out of the funds of the company.

Ninth. The shares of capital stock, at any time owned by any individual stockholder, shall be transferrable on the books of the company, at such place or places, and according to such rules, as, conformable to law, may be established, in that behalf, by the board of directors.

Tenth. No transfer of stock, in this company, shall be considered as binding on the company, unless made in a book or books, to be kept for that purpose by the company; and it is hereby further expressly declared and agreed, that any stockholder who shall transfer, in manner aforesaid, all his stock or shares in this company to any other person or persons whatsoever, shall, *ipso facto*, cease to be a member of this company; and that any person or persons whatsoever, who shall accept a transfer of any stock or share in this company, shall, *ipso facto*, become and be a member of this company, according to these articles of association.

Eleventh. It is hereby expressly and explicitly declared to be the object and intentions of the persons who associate under the style or firm of "The President and Directors of the _____ in the city of New York," that the joint stock, or property, of the said company (exclusive of dividends to be made in the manner hereinafter mentioned) shall alone be responsible for the debts and engagements of the said company, and that no person who shall or may deal with this company or to whom they shall or may become in anywise indebted, shall, on any pretence whatever, have recourse against the separate property of any present or future member of this company, or against their persons, further than may be necessary to secure the faithful application of the funds thereof to the purposes to which by these presents they are liable; but all persons accepting any bond, bill, note, or other contract of this company, signed by the vice president, and countersigned or attested by the assistant cashier of the company for the time being, or dealing with it in any other manner whatsoever, thereby respectively give credit to the said joint stock or property of the said company, and thereby respectively disavow having recourse, on any pretence whatsoever, to the person or separate property of any present or future member of this company, except as above mentioned; and all the suits to be brought against this company, if any shall be, shall be brought against the president for the time being, and in case of his death or removal from office, pending any such suit against him, measures shall be taken, at the expense of the company, for substituting his successor in office as a defendant, so that persons having demands upon the company may not be prejudiced or delayed by that event, or, if the person suing shall go on against the person first named as defendant, (notwithstanding his death or removal from office,) this company shall take no advantage, by writ of error, or otherwise, of such proceeding on that account; and all final judgments had, in manner aforesaid, shall be conclusive upon the company, so far as to render the company's said joint stock, or property, liable thereby, and no further, and the company shall, upon the rendition of a final judgment, pay the amount of such recovery out of their joint stock, but not otherwise; and, in case of any suit at law, the president shall sign his appearance upon the writ, or file common bail thereto, it being expressly understood and declared that all persons dealing with the said company agree to these terms, and are to be bound thereby.

Twelfth. Dividends of the profits of the company, or of so much of the said profits as shall be deemed expedient and proper, shall be declared and paid half-yearly during the months of _____ in every year, and shall, from time to time, be determined by a majority of the said directors at a meeting to be held for that purpose, and shall in no case exceed the amount of the net profits actually acquired by the company, so that the capital stock of the company shall never be impaired by dividends; and,

at the expiration of every three years, from the first Tuesday of January next, a dividend of surplus profits shall be made, but the directors shall be at liberty to retain, at least, ten per cent. upon the capital, as a fund for future contingencies.

Thirteenth. If the said directors shall, at any time, wilfully and knowingly make or declare any dividend which shall impair the said capital stock, all the directors present at the making or declaring such dividend, and consenting thereto, shall be liable, in their individual capacities, to the company for the amount or proportion of the said capital stock so divided by the said directors; and each director, who shall be present at the making or declaring of such dividend, shall be deemed to have consented thereto, unless he shall immediately enter in writing his dissent on the minutes of the proceedings of the board, and give public notice to the stockholders that such dividend has been declared.

Fourteenth. These articles of agreement shall be published in at least three newspapers printed in the city of New York, for one month; and for the further information of all persons who may transact business with, or in any manner give credit to, this company, every bond, bill, note, or other instrument or contract, by the effect or terms of which the company may be charged, or held liable for the payment of money, shall specially declare, in such form as the board of directors shall prescribe, that payment shall be made, out of the joint funds of this company, according to the present articles of association, and not otherwise; and a copy of the eleventh article of this association shall be inserted in the bank book of every person depositing money, or other valuable property, with the company for safe custody, or a printed copy shall be delivered to every such person, before any such deposit shall be received from him: and it is hereby expressly declared, that no engagement can be legally made in the name of the said company, unless it contain a limitation or restriction to the effect above recited; and the company hereby expressly disavow all responsibility for any debt or engagement, which may be made in their name, not containing a limitation or restriction to the effect aforesaid.

Fifteenth. The company shall in no case be owners of any ships, or vessels, or real estate, except as is herein after excepted; or directly or indirectly concerned in trade, or the importation or exportation, purchase or sale, of any goods, wares, or merchandise whatever, (bullion only excepted,) unless by selling such goods, wares, and merchandise, as shall be truly pledged to them, by way of security, for debts due to the said company. The real estate which this company shall be permitted to purchase and hold shall only be such as may have been previously *bona fide* mortgaged as security, or conveyed to them in satisfaction of debts, or such as may be necessary for the accommodation of said company in the transaction of its business.

Sixteenth. This association shall continue until the first Tuesday of January, one thousand eight hundred and sixty, and no longer; but the proprietors of two-thirds of the capital stock of the company may, by their concurring votes, at a general meeting to be called for that express purpose, dissolve the same at any prior period; provided that notice of such meeting, and of its object, shall be published in at least three newspapers, to be printed in the city of New York, for at least six months previous to the time appointed for such meeting.

Seventeenth. Immediately on any dissolution of this association, effectual

measures shall be taken, by the directors then existing, for closing all the concerns of the company, and for dividing the capital and profits, which may remain, among the stockholders, in proportion to their respective interests.

EXPOSITION OF THE FOREGOING ARTICLES.

In constructing a bank, to perform the duties of a fiscal agent of the Treasury of the United States, regard must be had :

To the nature of the duties to be performed ;

To the means which are necessary to their performance ; and

To the principles which must govern the bank in the application of those means.

The bank will be required to receive and disburse the public revenue ; to issue and sustain a circulating medium adapted at all times, *in amount*, to the exigencies of trade, as the only means of controlling the exchanges. The materials to be used for this purpose are the deposits, and bills receivable, or discounted bills ; and these must be of that description of paper which will be cancelled by payment as fast as it is created by business ; and no connexion, express or implied, must be permitted to exist between the payment of one note and the discount of another. As this is the only *lever* by which the exchanges can be regulated, and specie payments maintained, it is of vital importance that the rule be inflexibly adhered to, and made irrevocable. The laws of trade, in every condition of things, will prescribe the amount of convertible paper which can be kept in circulation. As that amount will be continually varying, as the condition of things vary, it is the special duty of a fiscal bank to be always in a condition to increase or diminish it, whenever the exchanges indicate the propriety of so doing. There is, however, a point below which the paper currency can never be reduced, and it is only the difference between the maximum and the minimum of the circulation of the bank which can ever be returned for payment *while the solidity of the bank is undoubted* ; and no other ought ever to be employed as a fiscal agent.

The daily payment of one-ninetieth part of all that is due to a bank will bring in funds faster than will be necessary to meet the most rapid return of its paper, which any adverse state of the exchanges can possibly occasion, and which a fiscal bank will be the first to foresee and guard against. As any reduction in its discounts, which may be necessary to withdraw from circulation an over-issue of bank notes, will not diminish the income its invested capital produces, it will have less sacrifices to make, and stronger motives to make them, than a *commercial* bank, whose capital and credit are both embarked to *aid and extend* commercial enterprises. In the latter case, a reduction of loans is a withdrawal of the capital which sustains the merchant : in the former, a reduction of discounts has no other effect than that of diminishing the medium with which the exchanges of *capital* are made. One breaks the merchant who trades on capital borrowed of the banks : the other, by reducing the currency, only reduces the price of commodities at home till those prices correspond with the markets abroad. A fiscal bank, with an adequate capital invested in bonds and mortgages, directed by unity of councils, and *acting solely on the currency*, can defend itself against the combined hostility of all other banks, and, at the same time, protect them all against the consequences of their own indis-

cretion. Without the existence of a fiscal bank, under one direction, strong enough to control *the exchanges*, the convertibility of bank bills issued from five hundred independent corporations can never be maintained, in this country or any other, for any great length of time. We have tried it here once, and it has failed, and it will fail again, as surely as a falling body will continue its course till it meets with resistance. When a capitalist himself loans directly to commerce, the terms of the loan are usually made to suit the convenience of both parties, especially that of the borrower; but when he employs a commercial bank as his agent, to lend his capital, as he always does to the amount of the stock he holds in it, then the interest and convenience of the lender is alone consulted, and the relation between the parties is such that it always so happens, owing to the exigencies of the times, that one or the other of the parties are exposed to be ruined; the borrower if he pays, the lender if he does not. Not so with a fiscal bank; it lends nothing to commerce, it does nothing *directly* to increase or diminish it. Commerce, if affected at all, it is only incidentally, by its action on the currency. It deals in nothing but contracts already made, the terms of which are definitely settled by the parties who make them before they come in possession of the bank; they grow out of an exchange of commodities belonging to the parties; the bank is the mere agent of the seller, to collect the money, making no other charge than the interest on its advances. With the purchaser of commodities, *as such*, the bank has no transactions; its peculiar construction and principles of action qualify it and constrain it to preserve an equilibrium in the exchanges, which commercial banks, by loaning largely of capital, have a constant tendency to destroy. These are believed to be the distinctive characteristics of the bank in question. The commercial banks in the United States employ from three hundred and fifty to four hundred millions of the money capital of the country. As this capital is usually loaned at from sixty to ninety days, and must all be employed, it is evident, when the state of the exchange will permit it, that each bank, consulting only what appears to be its present and individual interest, the increase of its dividends, will endeavor to supply at least its share of bank bills. This united and simultaneous increase in the issues of all the banks continues until it is counteracted by an unfavorable state of the exchanges, which it never fails to produce. That portion of the trading community who are supplied with funds from commercial banks, are, therefore, made the victims of operations which those banks must of necessity perform to correct those very alternations in the exchanges which are of their own creating, and which, without the agency of a fiscal bank, can be corrected in no other way.

An ACT to establish a fiscal agency for the United States.

Whereas Saul Alley, Isaac Bronson, Samuel Ward, (here insert all or as many of the names as may be deemed expedient,) have made to the President of the United States a proposal of the tenor following, viz: First: That the Government will constitute the association, in said proposals contemplated, when formed, their fiscal agent. (Reciting the six articles.)

And whereas the said proposal was accompanied by the contemplated articles of association, which are of the tenor following: "To all to whom these presents shall come, or in anywise concern: Be it known and made

manifest, that we, the subscribers, have formed a company, or limited partnership, (reciting the articles of association.)

And whereas the conditions, limitations, and restrictions contained in the said articles of association, will enable the said company, when formed, to give the United States both security and interest for the public deposits, as in said proposals stated, and thereby render said company a safe and convenient agent of the Government of the United States, for the purposes aforesaid, if provision be made to enable them to conduct their concerns in the name of the president of the said company, as their trustee, and thereby exempt them and others from the embarrassments which must otherwise attend their transactions in regard to legal process and other operations of business.

And whereas it is just and proper that the people of each State should be enabled to participate in the benefits to be derived from the use and employment of the public deposits : Therefore, in accepting the said proposals, the Government ought to make it a condition, that the stock of the company to be formed under its sanction, for the purpose of acting as its fiscal agent, be apportioned among the States, and that, to accommodate the subscribers to the capital stock in regard to the payments of the sums subscribed, option should be given to pay in money or in bonds and mortgages, on the terms stated in the first article of the association of said company : Therefore,

SECTION 1. *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the said company be, and they are hereby, authorized and empowered to organize themselves for the purpose of becoming the fiscal agent of the United States, on the terms stated in the said articles of association and in the said proposals to the President of the United States.

SECTION 2. *Be it further enacted,* That before said company shall be intrusted with the duties of said agency, the following conditions shall be performed, viz :

First. The stock of said company, to be composed of shares of one hundred dollars each, shall be divided into parts, one for each of the United States, proportioned in amount according to the rule prescribed in the constitution of the United States for the apportionment of direct taxes.

Secondly. An agent shall be appointed in each State, by whose duty it shall be to open books for subscription to the capital stock by the citizens of such State, who shall have the exclusive right to subscribe for the same ; and if such subscription shall exceed the amount allotted to such State, the number of shares subscribed shall be reduced to said amount, which reduction shall be made, as nearly as the nature of the subject will admit, on the several subscriptions in proportion to their amounts, respectively. If the whole sum allotted to any State shall not be taken therein, within ten days after the books are opened, the same may be disposed of to other subscribers. The payments, whether in bonds and mortgages or in money, made by those who subscribe for the stock of said company, shall be subject to such approval as said company may prescribe. And after the performance of the said conditions by the said company, and its due organization, as aforesaid, the Secretary of the Treasury is hereby authorized to employ the said company as the fiscal agent of the United States.

SECTION 3. *Be it further enacted,* That the principal office of said company shall be established and kept at the city of New York, and one or more

offices thereof, for the transaction of business, shall be kept in each of the United States, and in the District of Columbia.

SECTION 4. *Be it further enacted*, That the deposits of the money of the United States, in places in which the principal office of said company or other office thereof may be established, shall be made with said company, unless the Secretary of the Treasury shall at any time otherwise order and direct, in which case he shall immediately lay before Congress, if in session, and if not, immediately after the commencement of the next session, the reasons of such order or direction; and whenever moneys so deposited shall exceed the sum of five millions of dollars, the said company for such surplus shall pay to the United States an interest at and after the rate of two per cent. per annum; and it shall be the duty of the Secretary of the Treasury, when he shall deem the same to be necessary or expedient, to receive of the said company security in bonds equal in amount to the sums so deposited, secured by mortgage of real estate.

SECTION 5. *Be it further enacted*, That to enable the said company to exercise the powers and discharge the duties of a fiscal agent of the United States, the president of the said company and his successors are constituted trustees for the said company; and it shall be competent for the said company to authorize the president to take and hold as such trustee, to himself and his successors, any estate, real or personal, which the said company might take and hold; including, in case of real estate, the fee simple thereof, and to convey the same by order of the board of directors; and it shall be competent for said company to institute and prosecute to final judgment any suit or suits in law or equity, in behalf of said company, in the name of the president, as president and trustee of said company, without designating him by his personal name, in any State court, which would have jurisdiction thereof, were the said company named as plaintiffs therein, and in any circuit court of the United States; and all suits instituted against said company in law or equity may and shall be prosecuted against the president thereof, and not otherwise, in any court, which, if said company were defendants, would have cognizance thereof; in which suits he may be named as president and trustee of said company, and need not be designated by his personal name. And all the joint property of said company shall be as liable on any judgment or decree against the president, as trustee of said company, as aforesaid, as if such judgment were rendered against said company; no suit instituted by or against the president of said company, as aforesaid, shall abate, by reason of his office becoming vacant by death or otherwise, after the commencement of such suit, or being vacant at the time of the institution thereof; but the same may be instituted, prosecuted to final judgment, and enforced by execution or in any other lawful manner, as fully as if such vacancy had not existed.

All original and mesne process against said company, and all orders and notices returnable to any court of law and equity, may be served on said company, by leaving a copy thereof duly certified and attested by the proper officer, with the president or secretary, or with any director of said company, or at any office thereof, within the jurisdiction of the court to which such process, orders, or notices, are made returnable.